

EXHIBIT 3

AMERICAN AIRLINES, INC.

PILOT LONG TERM DISABILITY PLAN



February 1, 2004

AMERICAN AIRLINES, INC. PILOT LONG TERM DISABILITY PLAN

I. PURPOSE

Income protection during periods of Disability is a fundamentally important concern for each of us.

Long term Disability benefits for eligible pilots have previously been provided under the Disability provisions of the American Airlines, Inc. Pilot Retirement Benefit Program ("the Program"). This Plan replaces the Disability benefits provided under the Program for Disabilities incurred after the Plan's Effective Date and is provided, administered and funded by the Company subject to the Agreements between the Association and the Company.

Pilot Employees must follow the procedures and meet the requirements of the Plan, as contained in this document, to obtain Disability benefits. Questions about the Plan should be directed to your local crew base Flight Administrator.

Throughout this document any reference to gender-specific terms (such as, "he" or "him") shall apply to both genders.

This document constitutes the complete and official Plan document and Summary Plan Description. It is intended to give you an understandable description of the benefits provided by this Plan, how to apply for benefits and your rights under the Plan.

II. EFFECTIVE DATE OF PLAN

The provisions of this Plan shall be effective for Disabilities incurred on or after February 1, 2004. Disabilities incurred prior to February 1, 2004 are not covered under the terms of this Plan but are covered under the Disability provisions of the Program. This means that if you were Disabled prior to February 1, 2004, you will be covered under the Disability provisions of the Program even though your Disability benefit payments may not begin until after February 1, 2004.

III. DEFINITIONS

For purposes of this Plan, the following definitions shall apply, unless the context clearly indicates otherwise. These defined terms are capitalized throughout this document to indicate their special meaning within the context of the Plan:

- A. **"Active Pilot Employee"** means a Pilot Employee who performs or is eligible to perform duties as a pilot for the Company. An Active Pilot Employee will include a Pilot Employee who is receiving Compensation from an Employer or the Association for periods during an Authorized Leave of Absence.
- B. **"Administrator"** means the Company.
- C. **"Agreement(s)"** mean(s) a "bona fide" collective bargaining agreement or agreements (within the meaning of section 7701(a)(46) of the Code) between the Association and the Company.

- D. **"Appeals Materials"** means written comments, documents, records, and other information, relevant to a benefit claim that an applicant submits to the Administrator or to the Pension Benefits Administration Committee.
- E. **"Association"** means the Allied Pilots Association or such successor organization as may be designated as the bargaining representative for the Pilot Employees.
- F. **"Association Leave"** means a Pilot Employee's leave of absence approved by the Employer for Association business.
- G. **"Authorized Leave of Absence"** means any absence authorized by an Employer, including, but not limited to, an Association Leave or a leave of absence that is listed in Supplement F-1, paragraph 8 of the Agreements. An Authorized Leave of Absence shall be granted by an Employer for mandatory service in the Armed Forces of the United States, jury duty, or to comply with the Family and Medical Leave Act of 1993 or Uniformed Services Employment and Reemployment Rights Act of 1994. An Authorized Leave of Absence may be granted by an Employer for sickness, accident, vacation, Disability, or for other reasons under rules established by the Employer and uniformly applied to all individuals similarly situated.

Except as provided in Supplement F-1, paragraph 1 of the Agreements, if the Pilot Employee does not return to active Service with the Employer on or before the termination of his Authorized Leave of Absence, he will be deemed to have terminated Service as of the earlier of:

- (1) The date on which his leave of absence is terminated;
- (2) The first anniversary of the last date on which he performed at least one (1) Hour of Service as a Pilot Employee; or
- (3) The date on which he resigned or was discharged.

- H. **"Average Monthly Compensation"** means the highest of:

- (1) Average monthly Compensation for the 12 consecutive months immediately before the pilot uses all paid sick leave and vacation time accrued as a Pilot Employee, excluding the final partial month of paid sick leave and/or vacation time, or
- (2) Average monthly Compensation for the highest paid year of the previous five consecutive calendar years immediately before the pilot's paid sick leave and vacation time end.

For example, a Pilot Employee becomes Disabled on January 20, 2004 and receives paid sick and vacation time through March 15, 2004. The Pilot Employee's Average Monthly Compensation would be the greater of:

- Average Monthly Compensation paid for March 1, 2003 through February 29, 2004 (the pay for March 2004 is excluded) or
- Average Monthly Compensation received in the highest paid calendar year from 1999 through 2003.

- (3) Any illness or injury which was intentionally self-inflicted or an attempted suicide; or
- (4) Any illness or injury which was contracted, suffered or incurred while the Pilot Employee was engaged in a criminal activity; or
- (5) Any illness or injury which was the result of war or any act of war, whether war is declared or not; or
- (6) Any illness or injury which arose during the period of an unpaid leave of absence (other than an Association Leave) or Furlough while such Pilot Employee was absent from employment with the Employer; provided, however, that if a Pilot Employee had a Disability prior to beginning a Furlough and the Pilot Employee would have been recalled absent an illness or injury that would be considered a Disability, the Pilot Employee is deemed to have a Disability (if the illness or injury would otherwise qualify as such) from the date that the Pilot Employee would have been recalled.

O. **"Elimination Period"** means the period between the Pilot Employee's date of Disability and the date Disability benefit payments commence under the Plan. The benefits shall commence ninety (90) days after the onset of the Disability or related Disability or on the expiration of paid sick leave and/or vacation, whichever occurs later; provided that there has been and continues to be qualified medical care consistent with the nature of the illness or injury.

→ P. **"Employee"** means any person on the payroll of the Company or a Related Employer whose wages from the Employer are subject to withholding for purposes of Federal income taxes. In addition, the term "Employee" shall mean any leased employee (within the meaning of section 414(n)(2) of the Code) that section 414(n)(2) of the Code requires the Employer to treat as an employee.

Q. **"Employer"** means the Company and any Related Employer that duly joins in the Plan with the approval of the Company and the Association.

R. **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended, and any regulations or rulings thereunder.

S. **"Furlough"** means the removal of a Pilot Employee from active duty as a pilot with the Employer due to a reduction in work force, or the period during which such Pilot Employee is not in the active employment as a pilot of the Employer due to such reduction in work force.

T. **"Hour of Service"** shall be determined as in the same manner as determined under the Program.

U. **"Inactive Pilot"** means a pilot that is not an Active Pilot Employee.

V. **"Normal Retirement Age"** means "Normal Retirement Age" as defined in the Program.

W. **"Normal Retirement Date"** means, in the case of a Pilot Employee who attains Normal Retirement Age on the first day of a month, the first day of such month, and in the case

of any other Pilot Employee, the first day of the first month following the day the Pilot Employee attains Normal Retirement Age.

X. **"Pension Benefit Administration Committee" or "PBAC"** means the committee whose members are appointed to and which have the responsibilities specified in Section VII of the Plan.

→ Y. **"Pilot Employee"** means an Employee on the Pilot System Seniority List of the Company for such period or periods that he is on such list. Pilot Employee will include an individual permitted to participate in the Plan as provided under the Agreements.

→ Z. **"Plan"** means the American Airlines, Inc. Pilot Long Term Disability Plan, as set forth herein and modified from time to time.

→ AA. **"Program"** means the American Airlines, Inc. Pilot Retirement Benefit Program.

BB. **"Related Employer"** means any business entity that is, along with the Company:

- (1) A member of a controlled group of corporations (as defined in section 414(b) of the Code;
- (2) A member of a group of trades or businesses (whether or not incorporated) that are under common control (within the meaning of section 414(c) of the Code); or
- (3) A member of an affiliated service group (within the meaning of section 414(m) of the Code).

CC. **"Record"** means all documents, records, and other information relevant to a Pilot Employee's claim for Plan benefits and relevant to a Pilot Employee's appeal from a denial of benefits, as such materials exist at any level of the claims process.

DD. **"Retirement"** means the termination of Service for reasons other than death or Disability after a Pilot Employee has satisfied the requirements for a "Retirement Benefit" as defined in the Program. Retirement shall be considered as commencing on the first day immediately following a Pilot Employee's last day of Service.

EE. **"Service"** means employment (whether or not as an Employee) with the Company or a Related Employer. Service will begin on the date an Employee first performs one (1) Hour of Service for the Company or a Related Employer.

IV. ELIGIBILITY AND TERMINATION OF PLAN PARTICIPATION

A. Eligibility for Plan Coverage

Active Pilot Employees on the U.S. payroll of an Employer shall become eligible for coverage as of February 1, 2004. Pilot Employees hired on or after February 1, 2004 become eligible for coverage on their first day of Service. Pilot Employees who are not Active Pilot Employees on February 1, 2004 (who are, for example, (1) receiving Disability benefits under the Program, (2) on an Authorized Leave of Absence, (3) on